



KENTUCKY

General News

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Attorney General Conway Warns Against Price Gouging in Wake of Winter Storm



Kentucky retailers are again on notice that price gouging during times of emergency will not be tolerated in the Commonwealth. Attorney General Jack Conway and Governor Steve Beshear triggered the state's price gouging statutes after a winter storm left more than 600,000 Kentuckians without power. Three fatalities were also linked to the storms.

"I have made it clear that I will not tolerate unscrupulous retailers who seek excessive profits during emergency situations. Those who have fallen victim to this storm should not be victimized again by predatory pricing," General Conway said.

The state's price gouging statutes empower General Conway to investigate and prosecute, where appropriate, excessive profit taking related to gas, heating and building supplies, hotel rooms and other necessary goods and services in the aftermath of the storm.

General Conway encourages consumers to report possible price gouging to icestormcomplaints@ag.ky.gov or call the Office of the Attorney General at 1-888-432-9257. He also urges Kentuckians to stay safe.

"My thoughts and prayers are with the hundreds of thousands of Kentuckians affected by this storm. I strongly encourage those without power to utilize shelters in their communities. Please take caution during this time of emergency, keep your families safe and let's not forget those around us who may need a helping hand," said General Conway.

For more information — <http://tinyurl.com/cex2y7>

Settlements Announced in Hurricane Ike Price-gouging Probe

Attorney General Conway and Governor Beshear announced settlements totaling \$108,750 following a gas price-gouging investigation launched in the wake of Hurricane Ike. The settlements with eight retailers in seven different Kentucky communities were announced at a joint press conference on January 22 in Frankfort.

"We're putting retailers on notice that if you are going to gouge, if you are going to engage in this kind of behavior, there are indeed consequences," said General Conway.

The investigation of the nearly 2,000 complaints received as a result of Hurricane Ike and the subsequent windstorm that swept across Kentucky, determined that some retailers had a profit margin during the one-week period after the disaster declaration of up to \$1.00 per gallon.



"I fully support the success of Kentucky businesses, but their practices must be fair, particularly when it comes to indispensable products like fuel for our cars," said Gov. Beshear.

Five of the retail stations fined were owned by Pilot Travel Centers, LLC and are located in Corbin, Williamsburg, Middlesboro, Franklin and Oak Grove. Pilot has agreed to pay \$100,000. Krungal, LLC, which owns the T-Mart in Franklin in Simpson County has agreed to pay \$5,000, Mike and David #2, Inc., which owns the T-Mart in Wingo, will pay \$2,500 and Giant Oil Company, which owns Dodge's Chicken Store in Henderson, will pay \$1,250. The fines are not an admission of wrongdoing or guilt. All of the stations have denied any wrongdoing.

For more information — <http://tinyurl.com/asd9ua>



Kentucky Attorney General
Jack Conway

Proposed Rate Increase Settlement with E.ON Will Save \$67 Million

Attorney General Conway and his Office of Rate Intervention reached a proposed settlement with LG&E and KU parent company, E.ON U.S., which will save rate payers more than \$67 million.

“Negotiating this case was one of my top priorities because I know, with today’s economic climate, many Kentuckians are having trouble making ends meet and simply can’t afford the type of rate increases proposed by these utilities,” General Conway said.

LG&E and KU had submitted a combined \$69 million in proposed rate increases for gas and electric customers to the Public Service Commission for approval. The PSC sets rates for public utilities in Kentucky. The Office of the Attorney General intervenes on behalf of ratepayers in front of the PSC.

As part of the settlement, LG&E and KU also agreed to several provisions to assist low-income customers, such as providing \$300,000 a year to heating assistance programs. They will also lengthen payment plans for customers who require deposits to secure service and may waive late fees for some pre-certified consumers.

The settlement must be approved with the PSC.



Settlement Reached with Countrywide Over Allegations of Predatory Lending

Approximately 2,500 Kentuckians will be offered loan modifications to restructure their Countrywide mortgage loans thanks to a settlement reached between Attorney General Jack Conway and Countrywide. Kentucky has joined other states requiring the lender to provide loan modifications to assist up to 395,000 borrowers nationwide from a foreclosure relief fund of \$150 million. Of this amount, \$1.64 million is reserved for Kentucky borrowers.



The settlement resolves allegations that Countrywide developed and used unfair and deceptive practices in its loan origination and servicing business. Under the agreement, eligible borrowers will be offered the opportunity to modify their mortgage loans to make their monthly payments more affordable.

“This mandatory loan modification program will provide immediate relief to Kentucky borrowers who are facing foreclosure. The goal is to help these borrowers remain in their homes into the future with an affordable mortgage loan,” General Conway said.

If you have a Countrywide mortgage loan and would like additional information, visit the company’s website at www.countrywide.com or call 1-800-669-6607. If you are facing imminent foreclosure, call immediately.

For more information — <http://tinyurl.com/d54dt4>

Attorney General Conway Calls for More Protections for Distressed Homeowners

Attorney General Conway joined attorneys general from 21 other states and the District of Columbia in sending a letter to U.S. House and Senate leadership urging them to amend the U.S. Bankruptcy Code to permit federal bankruptcy courts to protect families from foreclosure.

“It’s imperative that we work with the courts, banks and consumers to provide a real solution to help families meet their financial obligations and remain in their homes,” General Conway said. “Bankruptcies that result in homes being foreclosed upon are certainly not in the best interest of financial institutions or consumers. It benefits both sides to amend terms of mortgages to allow consumers to repay the bank and keep their homes.”

Under the amendment urged by the attorneys general, losses and benefits would be shared between homeowners and investors.

For more information — <http://tinyurl.com/aoouwc>

